

Government of the Republic of the Union of Myanmar
Ministry of Electric Power
Notification No. [•]
(-) date, (-) month, 2016)

In the exercise of the power and authority granted pursuant to Section 72 [a] of the Electricity Law, the Ministry of Electric Power hereby prescribes the following Rules with the approval of the Union Government:

Chapter 1
Title and Definitions

1. The terms contained in these Rules shall have the same meaning as set forth in the Electricity Law. The following terms shall have the meanings given hereunder:
 - (a) **“Permitted Person”** means a person or an organization to whom a Permit has been issued in order to carry out any Electricity Related Works in respect of any type of permit prescribed in Rules 12;
 - (b) **“National Transmission Permit”** means the Permit which authorizes to construct, operate and administer the national transmission network;
 - (c) **“Special Purpose Transmission Permit”** means a Permit which authorizes a Permitted Person to construct, operate and administer a transmission facility that may or may not be connected the National Grid for transmission of electric power from the identified main source to the specifically identified business which promotes the public interest;
 - (d) **“Wholesale Power Supply Permit”** means a Permit which authorizes a Permitted Person to make sale of power to Permitted Persons with Retail Power Supply Permits or large industrial and commercial consumers;
 - (e) **“Retail Power Supply Permit”** means a Permit which authorizes a Permitted Person to make power sales to retail consumers;
 - (f) **“Distribution and Retail Power Supply Franchise Permit”** means a Permit which authorizes a Permitted Person with Distribution and Retail Power Supply Permit to lease its power distribution facilities for the purpose of distributing and selling power to retail power consumers;

- (g) **“Service Territory”** means the geographic area within which a Permitted Person is authorized to engage in works as set forth in a Permit;
- (h) **“Electric Power Services”** means those Electricity Related Works involving the provision of generation, transmission, distribution and sales of electric power and fulfilling relevant specified responsibilities of such works;
- (i) **“Full Requirements Customer”** means a Permitted Person with a Retail Power Supply Permit that satisfies all of its needs for electric power by purchasing power from only one source of electric power;
- (j) **“Partial Requirements Customer”** means Permitted Person with a Retail Power Supply Permit that satisfies its needs for electric power by purchasing power from multiple sources of electric power;
- (k) **“Tariffs”** means the prices to be charged for Electric Power Services, including power generation, transmission services, distribution services, and power sold; and
- (l) **“Electric Power Control Departments”** means the electric power control departments formed by the Ministry pursuant to Section 35(a) of the Electricity Law.

Chapter 2

Ministry Responsibilities

- 2. Powers and Functions of the Ministry are as follows:
 - (a) The Ministry is hereby authorized to be responsible for regulating Electricity Related Works and the provision of Electric Power Services.
 - (b) The Ministry shall —
 - (i) With the approval of the Union Government, approve or reject the application for the export to or import of electric power from another country;
 - (ii) as provided in Sections 5(j), and 37 of the Electricity Law prescribe grid code, technical and industry standards, codes of conduct and inspection methods for each category of Permit in accordance with the requirements of these Rules
 - (iii) prepare methodologies for forecasting electric power needs and least

cost investment and power procurement planning in consultation with other government departments and provide guidance for those Permitted Persons required to perform such tasks;

- (iv) review, scrutinize and approve forecasting electric power needs and least cost investment and power procurement planning performed by Permitted Persons; review, scrutinize and approve forecasting electric power needs and least cost planning performed by Permitted Persons;
- (v) In accordance with regulations review, scrutinize and approval of investments and power procurement decisions proposed by certain Permitted Persons based upon their least cost investment and power procurement plans and demonstrated consistency with the national electric power development plan and satisfaction of their respective Service Obligations at least cost and in accordance with prudent utility practices;
- (vi) establish a uniform system of accounts and requirements compatible with generally accepted international accounting standards and requirements to be followed by all Permitted Persons;
- (vii) enforce legal, regulatory and contractual requirements to which Permitted Persons are subject in accordance with terms and conditions of permit or order or directives issued by relevant authority;
- (viii) propose Permit revisions for approval of the Union Government as required to effect power sector structural reforms.
- (ix) give educational programs to power consumers in respect of energy efficiency and energy saving and carry out implementations therefor.
- (x) prepare multi-year National Power Development Plan for submission for the approval of the Union Government; which shall be updated by the Ministry and approved by the Union Government annually;
- (xi) organize public hearings to include power sector stakeholders in such processes;
- (xii) ensure that National Power Development Plans focuses on the investments required to ensure long-term balance between reliable

electricity supply and electric usage and, the promotion of rural electrification.

- (xiii) review and approve expansion of investment and additional power acquisition programs prepared by Permitted Persons and submitted to the Commission for approval of the Union Government;
 - (xiv) approve power purchase agreements by scrutinizing whether they are in line with the appropriate least cost;
 - (xv) prohibit Permitted Persons' recovery of costs incurred on investments and power procurement not approved by the Ministry; and
 - (xvi) may establish training schools to promote modern technology and cultivate technicians and experts. The Ministry may also grant permission to any other individual or organization to undertake such education.
3. Regulatory proceedings, resolutions and orders carried out under Rule 2 must be written resolutions and orders based on the Law.

Performance Standards

- 4. The Ministry shall issue regulations, which prescribe performance standards for each category of Permit for the purposes of encouraging the safe, efficient and reliable delivery of electric power.
- 5. For Permitted Persons who are unable to meet the above-mentioned performance standards prescribed by the Ministry, the Ministry may exempt such facilities from the performance standards and instead tailor laxer standards specific to each such facility.
- 6. Under such circumstances, the Ministry may reduce the laxity of the facility specific performance standards when the Ministry determines that the performance of the subject facility by the Permitted Person is capable of improvement.

Technical Standards and Codes of Conduct

7. The Ministry shall encourage the development of technical standards and uniform codes of conduct so as to provide followings:
 - (a) planning criteria regarding safety, reliability and cost effectiveness of generation, transmission and distribution facilities;
 - (b) Electrical installation and construction standards;
 - (c) operating standards and processes;
 - (d) coordination of maintenance schedules;
 - (e) adequate reserves and plans to satisfy demand;
 - (f) Quality and norm specifications for electrical equipment.
8. The Ministry may, at any time, modify, amend or revoke standards and guidelines. No modification, amendment or revocation shall be retroactive in respect of any existing proceedings.
9. The Ministry may acquire any suggestion of the Commission pertaining to the provisions of the Electricity Law at the time of discharging the above-mentioned duties.

Non-Cost Based Tariffs

10. The Ministry may approve non-cost based Tariffs that are the result of the operation of competitive power markets or circumstances, such as Tariffs established by competitive power solicitations.

Acquiring the opinion of the Commission in respect of the tariffs

11. The Ministry shall acquire the suggestion of the Commission in respect of prescribing and altering tariffs and submit to the Union Government.

Chapter 3 **Permissible Types of Permit**

Types of Permits

12. Section 8 (b) of the Electricity Law confers on the Ministry the authority to issue Permits to engage in Electricity Related Works, notably the large scale exploration, construction, generation, transmission, distribution, trade and exchange of electric power connected to the National Grid. Permits able to be issued with the approval of the Union Government include the followings:
 - (a) Generation Permit
 - (b) National Transmission Permit
 - (c) Special Purpose Transmission Permit
 - (d) Distribution Permit
 - (e) Wholesale Power Supply Permit



- (f) Retail Power Supply Permit
- (g) Distribution and Retail Power Supply Franchise Permit
- (h) Export/Import Permit

Generation Permit

13. A Permitted Person to generate electric power shall be authorized to construct, operate and manage specifically identified generation facilities and to generate and sell electric power in accordance with the Law.

14. Applications for Generation Permits shall include the type, generating capacity, location, connection arrangements, technical limitations, technical functional specifications and the period during which the subject generating facility is expected to operate commercially.

15. Generation Permits for generating facilities may only be issued by the Ministry in accordance with followings:
 - (a) the subject generation facilities has been approved by the MIC;
 - (b) the execution of power purchase agreements have been approved by the Ministry;
 - (c) the subject generation facilities are consistent with the least cost procurement per unit of electric power supply.

16. The Ministry may refuse to issue a Permit under following circumstances:
 - (a) when the applicant does not satisfy the criteria for eligibility;
 - (b) when the Commission concludes that the site, technology, design, fuel type and other relevant matters are not environmentally suitable; and
 - (c) the Tariff does not represent the least cost procurement.

17. Generation Permits shall include conditions requiring the Permitted Persons issued Generation Permits to comply with contractual service obligations defined by contracts with power purchasers and industry codes and performance standards.

18. Generation Permits shall include conditions requiring Permitted Persons issued Generation Permits to comply with the followings:
 - (a) to operate generation facilities in accordance with applicable Law and regulatory requirements,
 - (b) to comply with all environmental requirements,
 - (c) to operate the subject generation facility consistent with the safe, secure



and economic operation of the National Grid and distribution networks; and
(d) to settle payment of compensation, to the aggrieved person, approved by the Ministry for voltage support and any uneconomic dispatch required to support the transmission and distribution systems due to any failure to comply with above Sub-rules (a), (b) and (c) herein.

19. The term of the Generation Permit shall be prescribed in the agreement executed pertaining to existing laws.

Transmission Permits

20. There shall be two types of transmission related Permits: the National Transmission Permit and Special Purpose Transmission Permit.

21. Permitted Person issued the Transmission Permit shall be authorized to engage in the transmission of electric power and to ~~own~~, operate and manage the power transmission facilities for transmitting electric power at voltages of 132 kV and higher.

National Transmission Permit

22. The Ministry shall be authorized to own solely, construct, operate and manage the National grid across the Union and National Transmission Permit shall be granted to the organization responsible for electric power transmission and controlling or its successor.

23. The National Transmission Permit shall set forth the Service Obligations of the Permitted Person issued the National Transmission Permit.

24. The National Transmission Permit shall include conditions requiring the Permitted Person issued such Permit to comply with the following:

(a) to operate, maintain and expand the National Grid in accordance with all applicable Law and regulatory requirements;

(b) to comply with all grid code and applicable performance standards approved and issued by the Ministry and all environmental requirements; and

(c) to enable that the National Grid and the generation facilities and distribution networks to which it is connected are safe, secure and operate reliably and economically.

25. The Permitted Person issued the National Transmission Permit shall be responsible for following:



- (a) accepting electric power from the permitted generating facilities they may become directly connected to National Grid;
 - (b) transiting such electric power across the National Grid for delivery to permitted distribution networks; and
 - (c) arranging for transiting electric power to large industrial consumers of electric power.
26. When the Ministry allows the Permitted Person with the Distribution Permit to purchase power from any Permitted Person with a Generation Permit, with which there is no direct connection, the Permitted Person with the National Transmission Permit shall be responsible for transmitting the electricity, which is to be generated from the power plants of such Permitted Person with the Generation Permit, from the National Transmission to the Permitted Person with the Distribution Permit.
27. As long as MEPE as the Permitted Person issued the National Transmission Permit shall focus on the expansion and upgrading of the National Grid to support growth in electric load.
28. The Permitted Person issued the National Transmission Permit shall prepare annually its expansion of investment and additional power acquisition program and file same with the the recommendation of the Commission to the Ministry.
29. Upon Ministry approval of the expansion of investment program, the Permitted Person issued the National Transmission Permit, is authorized to acquire the equipment and facilities and resources identified in its approved expansion of investment program.
30. The National Transmission Permit shall prohibit the following matters which have not been approved by the Commission:
- (a) imposing tariff rates and service charges; and
 - (b) imposing any condition on the transmission of electric power.

Special Purpose Transmission Permit

31. A Special Purpose Transmission Permit shall be authorized for a specifically identified business which promotes the public interest.
32. The Special Purpose Transmission Permit shall include conditions vesting to

construct, ~~own~~, manage and operate transmission facilities. In this regard, such operation shall be carried out in line with grid code and performance standards applicable to transmission of electric power.

33. The principles and conditions for issuing the Special Purpose Transmission Permits shall be set forth in the permitting regulations to be promulgated by the Ministry with the approval of the Union Government.
34. Applications for Special Purpose Transmission Permits shall identify the specific transmission facilities to be built, their intended purpose and their proposed location. Other business activities are not allowed to undertaken other than permitted business activities.
35. Special Purpose Transmission Permits may have a term specified in the contract executed in accordance with current laws.
36. In the event that transmission facilities the subject of a Special Purpose Transmission Permit becomes connected with and able to be used as part of the National Grid, the Permitted Person issued the National Transmission Permit may acquire ownership of the special purpose transmission facilities for compensation equal to the book value of the acquired transmission facilities or any agreement.

Distribution Permit

37. A Distribution Permit shall authorize Permitted Person to whom issued to engage in the distribution of electric power to electric power consumer within a defined Service territory and to, within that geographically defined territory, construct, ~~own~~, operate and manage the power distribution facilities to deliver electric power.
38. Applications for Distribution Permits shall include the distribution facilities to be used to provide distribution within the Service territory.
39. The Distribution Permit shall set forth the Service Obligations.
40. The Permitted Persons issued Distribution Permits shall have the following obligations:
 - (a) For so long as such Permitted Person is effectively the sole power supplier for the consumers located within the respective Service Territories, an obligation to connect and supply power to retail consumers;

- (b) to support growth in electric load, satisfaction of applicable industry codes and performance and safety standards; and
 - (c) shall focus on the expansion and upgrading of its distribution network to adequate supply of electric usage.
 - (d) In the event that Permitted Person issued the Distribution Permit could not be fully received the amount of additional electric power from Permitted Person issued the Wholesale Power Supply Permit, such Permitted Person issued the Distribution Permit would have to obtain the needed electric power supply from any other source or systematically shed load.
41. Distribution Permits shall include conditions to require that subject Permitted Persons to comply with following:
- (a) the operation, maintenance and expansion of distribution systems in accordance with all applicable Law and regulatory requirements,
 - (b) compliance with all applicable distribution codes and performance standards approved and issued by the Ministry and all environmental requirements,
 - (c) the distribution systems are safe, secure and operate reliably and economically;
42. Permitted Persons issued a Distribution Permit shall prepare annually their respective expansion of investment and additional power acquisition programs to the Ministry.
43. Upon Ministry approval of their respective expansion of investment and additional power acquisition programs, such Permitted Persons issued Distribution Permits are respectively authorized to enter into long term contracts to acquire the equipment and facilities, resources and electric power supplies identified in their respective approved expansion of investment and additional power acquisition program.
44. Within [sixty] days of the issuance of its Permit, each Permitted Person issued a Distribution Permit shall prepare a Consumers Service Manual to be submitted to the Ministry for approval thereby.
45. The Consumers Service Manual shall contain followings:
- (a) the form and manner for applications by consumers to connect to the



- distribution network and obtain power supply;
 - (b) the time required to provide connections requested of the Permitted Person;
 - (c) safety and security;
 - (d) procedures for handling consumers' complaints;
 - (e) procedures for suspending delivery of electric power for non-payment of bills; and
 - (f) procedures for installation and maintenance of meters.
46. The Distribution Permit shall prohibit following matters which have not been approved by the Commission and the Ministry:
- (a) imposing tariff rates and service charges; and
 - (b) imposing any condition on the distribution of electric power

Wholesale Power Supply Permit

47. The Wholesale Power Supply Permit authorizes Permitted Person as provided below:
- (a) to purchase electric power from any energy sources;
 - (b) to obtain electric power from its own generation facilities operating under subject Generation Permit;
 - (c) to sell electric power at wholesale to the Permitted Persons issued Distribution Permits and any large industrial power consumers;
48. The Wholesale Power Supply Permit shall set forth the following Service Obligations:
- (a) to forecast growth of the electric load of the Permitted Persons issued Retail Power Supply Permits as Full Requirements Customers and to arrange a timely and adequate supply of electric power to satisfy such forecasted growth.
 - (b) If the Permitted Persons issued the Retail Power Supply Permit is Partial

Requirements Customers, Permitted Persons have been issued Wholesale Power Supply Permits to contractually define the limitation to supplying a fixed amount and quality of electric power in a power sales agreement;

- (c) Should such a Permitted Person issued a Retail Power Supply Permit request the Permitted Person issued the Wholesale Power Supply Permit to supply power in excess of the amount contractually specified, such Permitted Person shall be issued the Wholesale Power Supply Permit shall provide such additional power as it may have available.

49. Wholesale Power Supply Permits shall include conditions to require the activities of the subject Permitted Person satisfy all applicable Law and regulatory requirements, all applicable industry codes and performance standards approved and issued by the Ministry and all environmental requirements.

50. Wholesale Power Supply Permits shall prohibit following matters which have not been approved by the Ministry:

- (a) imposing any tariff rates and service charges; and
- (b) imposing any condition regarding wholesale power sales.

51. Wholesale Power Supply Permits shall define the duration of the terms of such Permits.

Retail Power Supply Permit

52. A Retail Power Supply Permit shall authorize the Permitted Person to whom issued to engage in the sale of electric power within a defined geographic territory as the exclusive retail supplier of electric power consumers.

53. Retail Power Supply Permits shall define the following Service Obligations of Permitted Persons to whom issued.

- (a) Permitted Persons issued Retail Power Supply Permits shall be required to purchase electric power from wholesale power suppliers to sell to their respective retail consumers.
- (b) the Service Obligations regarding retail power supply shall be limited to forecasting growth in electric load and providing such information to the Permitted Person issued a Wholesale Power Supply Permit and the Ministry

- (c) While such limitation is taken place, shall comply with modification made by the Ministry for power purchasing or arrangement with the approval of the Union Government.
 - (d) Once such Permit modifications are made by the Ministry in accordance with Sub-rule (c) above and Permitted Persons issued Retail Power Supply Permits shall arrange for themselves the timely and adequate supply of electric power to satisfy the electric power needs of their retail consumers at least cost.
 - (e) Permitted Person issued Retail Power Supply Permits shall be required to sell electric power on a non-discriminatory basis to any retail consumers within its service territory that meet the eligibility criteria set forth in regulations to be issued by the Ministry.
 - (f) Retail Power Supply Permits shall include conditions to require that Permitted Persons issued Retail Power Supply Permits to satisfy all applicable Laws and regulatory requirements and to comply with all applicable industry codes and performance standards approved and issued by the Ministry, all environmental requirements and Consumers Service Manual issued by the Permitted Person.
54. Retail Power Supply Permits shall prohibit following matters which have not been approved by the Ministry:
- (a) imposing any tariffs and service charges; and
 - (b) imposing any condition regarding its retail power sales.
55. Retail Power Supply Permits shall define the duration of the terms of such Permits.

Distribution and Retail Power Supply Franchise Permit

56. The Ministry may allow any Permitted Person with the Distribution Permit and Retail Power Supply Permit to franchise the business of power distribution and retail power supply in the territory defined in his Permit with the approval of the Union Government.
57. In this regard, any Permitted Person with Distribution and Retail Power Supply Permit and any Permitted Person with Franchise Permit shall carry out the business by executing an agreement prescribing terms and conditions as well as the term approved by the Ministry.

58. Permitted Persons with the Franchise Permit shall operate the business through leasing facilities and staff from the Permitted Person with Distribution and Retail Power Supply Permit but they shall not be sublet.
59. The Permitted Person with the Franchise Permit shall fulfill the responsibilities in respect of electricity distribution and retail power supply in addition to abide by laws, regulations, notifications, orders, directives and procedures issued by the Ministry.
60. Permitted Persons with the Franchise Permit shall draft the System Improvement Plan, System Development Plan and Loss Reduction Plan and submit to the Ministry Implementations shall be conducted pertaining to such plans.
61. The Permitted Person with the Franchise Permit shall sell the electricity as per tariffs prescribed by the Ministry.

Export/Import Permit

62. A Permit to export or import electric power authorizes a Permitted Person to whom issued to either export or import electric power from another country on a transaction specific basis.
63. The Ministry may issue a Permit to export or import power after considering the following matters:
 - (a) the impact of the proposed export or import on the safety, reliability, security and stability of electric power system of the nation;
 - (b) the impact of the proposed export or import on the availability and cost of electric power for consumers;
 - (c) electricity security of the State; and
 - (d) such other factors as the Ministry determines relevant.
64. A Permit to export or import electric power from another country shall include such terms and conditions as the Ministry determines to be appropriate.

Expected Load

65. All Permits in respect of Electricity Related Works shall state that all Permitted



Persons must have the responsibility for forecasting and drafting the growth of load and the requirement of electric power pertaining to guidance and methodologies to be set forth by the Ministry.

Coordination on Investigation

66. All Permits shall state that all Permitted Persons must have the responsibility to coordinate with the Ministry when it conducts investigations under Rule 97 and must furnish any information requested by the Ministry.

Organizations and Enterprises under the Ministry

67. Organizations and Enterprises under the Ministry and Electricity Supply Board or Corporations formed under section 8 (c) shall –

- (a) shall be deemed to be Permitted Persons under the Electricity Law, and shall continue carrying out subject operations.
- (b) For the six (6) months immediately following issuance of these Rules, apply for appropriate permits in accordance with the Rules.
- (c) The conditions applicable to Permitted Persons for permitted Electricity Related Works shall equally be applicable to the organizations and enterprises under the Ministry.

Chapter 6 Licensing

Permits Mandatory

68. Permits to engage in Electricity Related Works for large scale electric power services which can be administered by the Union shall apply to the Ministry.

69. Except large scale electric power distribution for which the Union is authorized to administer, small and medium scale electric power generation and distribution enterprises which are not connected to the National Grid must obtain Permits from the relevant Regional or State governments.

70. Permits to engage in Electricity Related Works for towns and villages within the Self-administered Divisions or Self-administered Zones shall be issued by the relevant leading bodies of Self-administered Divisions or Self-administered Zones.

Permit Exemptions

71. Persons that own generation facilities that are not connected with the National Grid and which are used solely to produce power for their own use and are not commercially selling and distributing their power to third parties shall not need to obtain a Permit, but shall coordinate with any inspection for the purpose of electric power safety.
72. With an approval of the Union Government, the Ministry may prescribe further exemptions from the need to obtain Permits.

Permits Eligibility

73. The Ministry shall carry out as follows:-
 - (a) Permits shall be issued only when the applicants have demonstrated their capabilities to provide the Electricity Related Works for which they intend to become responsible and to comply with all legal, regulatory and Permit conditions applicable thereto.
 - (b) In issuing Permits, the following factors shall be considered:
 - (i) business experience
 - (ii) relevant power sector experience;
 - (iii) financial wherewithal,
 - (iv) technology, technical specifications, model, design, operational characteristics
 - (v) technical and managerial capabilities,
 - (vi) capabilities to comply with Permit conditions and all applicable legal and regulatory requirements' and
 - (vii) the ability to comply with prudent utility practices, the grid code, the distribution code and applicable industry standards and codes of conduct.
 - (c) In order to render the services mentioned in each Permit fully, shall review whether the financial activities and organizational affairs of the applicants are strong and then approval or rejection shall be furnished thereto.

- (d) Notwithstanding the applicant meeting the eligibility criteria, the Ministry may decline in writing to issue a Permit if the investments associated with the equipment or facility are not justifiable in view of the needs of the electric power sector or where the applicant has failed to demonstrate the existence of the demand for the proposed facility or system.

Financial Security

74. Before issuing of any Permit or reinstating a suspended Permit, the Ministry may require a bond or other form of financial security as necessary to ensure satisfaction of Service Obligations and conditions set forth in that Permit, including the payment of Permit Fees.

Operating Procedures Manual

75. Not later than [90] days of the issuance of the Permit, Permitted Persons shall prepare and file with the Commission for approval by the Ministry. After obtaining such approval, Permitted Persons shall implement an operating procedures manual.

Limitation on Provision of Electric Power Services

76. Permitted Persons shall be required to provide Electric Power Services the cost of which is fully recovered by funds provided as subsidies by the State through Tariffs approved by the Ministry, when the subject Permitted Person is agree to such arrangement.

Power Purchases and Procurement

77. Permitted Persons are prohibited from carrying out the followings:
- (a) purchasing electric power from new IPPs unless such purchases are the result of competitive power solicitations programs approved by the Ministry; and
 - (b) recovery of power procurement costs if incurred pursuant to power purchase agreements not approved by the Ministry.

Suspension for a Limited Period and Cancellation for a Limited Period

- 78.
- (a) Any Permit may be suspended or revoked under the following circumstances:

- (i) a pattern of failures on the part of Permitted Persons to comply with the conditions of their respective Permits;
 - (ii) failure to pay fees for Permits when due;
 - (iii) failure on the part of Permitted Persons to adhere to any codes, programs or manuals that has a material adverse effect on other Permitted Persons performance of their respective Service Obligations;
 - (iv) demonstrated disregard on the part of Permitted Persons for the legal, regulatory and contractual requirements applicable to the Permitted Person;
 - (v) sale, mortgage, sub-lease, exchange or transfer by any means of respective Permits or the whole or any part of respective Electricity Related Works without the permission of the relevant permit granting government department or governmental organization; and
 - (vi) modifying contents of the Permits without the permission of the relevant government department and government organization.
- (b) Where a Permit is suspended or cancelled, the relevant permitting government department or governmental organization may undertake all or any of the following actions to maintain the continuous operations of the equipment and facilities the subject of that Permit:
- (i) Upon recommendation of the Commission, the Ministry may appoint an administrator substituted for the Permitted Person to take over the operation of such equipment and facilities;
 - (ii) execution of a subcontract between a Permitted Person and another person approved by the Ministry with that other person to immediately take over responsibility for the operation and maintenance of such equipment and facilities.
- (c) The actions specified in sub-rule (b) herein may continue until a successor Permitted Person takes over responsibilities for equipment and facilities on specified terms and conditions including payment of compensation for such plant, machinery and other equipment installed at and facility of the Permitted Person whose Permit was cancelled.

Operating through connecting with the National Transmission

79.

- (a) If Permitted Persons, whose Permits are issued by Relevant Self-administered Divisions or Self-administered Zones or leading bodies of Self-administered Divisions or Self-administered Zones, have any desire to connect with National Transmission directly or indirectly for the purpose of power generation and distribution within the territory defined in their permit, they shall need to acquire the approval from the relevant government organization which issued such permit.
- (b) Upon receiving the agreement from the relevant government organizations for connecting with the National Transmission directly or indirectly, shall acquire the approval of the Ministry.
- (c) After taking the following facts into account, the Ministry shall allow the power connection:-
 - (i) any effect upon the stability of the National Transmission;
 - (ii) any effect upon tariffs to be cost by the local people;
 - (iii) any potential development of the power sector within Relevant Self-administered Divisions or Self-administered Zones or leading bodies of Self-administered Divisions or Self-administered Zones;
 - (iv) other factors assumed to be necessary for the purpose of the public interest;
- (d) In order to implement such connection, there being a separate electricity network system already including electricity generation and distribution;
- (e) Any Permitted Persons authorized to operate by connecting with the National Transmission directly or indirectly must abide by the Rules and procedures issued under the Electricity Law of the Ministry.

Permitting Regulations

80. With the approval of the Union Government, the Ministry shall issue regulations regarding the applications for, issuance of, revisions and modifications to and suspensions and revocation of Permits. The regulation shall specify the form and content of permit applications, requirements for permit application, evidentiary support, documentations, and process specific to permitting.

81. The following facts shall be included in regulations issued by the Ministry in respect of the issuance of Permits:-
- (a) shall state stipulations in respect of Power Purchase Agreements and competitive power procurement plans; and
 - (b) shall prescribe the models of power purchase agreements
82. The Ministry shall grant permits, as may be necessary, with the approval of the Union Government, to Permitted Persons as they are engaging in one or more Electricity Related Works in their operation.

Chapter 7

Tariffs

Proposing Electricity Tariffs

- 83.
- (a) Permitted Person shall submit Tariff proposals to the Ministry.
 - (b) Such Tariff proposals shall include a tariff, and any contractual schedule or other documentation required in connection with tariffs proposed for approval. These shall be clearly printed and legibly duplicated in such number of copies.
 - (c) Applications for Tariff approvals shall include a schedule showing the price or unit upon which it the Tariff proposed is based, meter rentals, installation charges, basis for determining demand, discounts, and any other detail necessary for a complete understanding of the charges comprised in the Tariff.
- 84.
- (a) Every Permitted Person shall have Tariffs for its provision of Electric Power Services approved by the Ministry on file and shall send such approved Tariffs file to the Commission to be publicly available in the Public Document Room.
 - (b) The Commission may order Permitted Persons to file Tariffs if not already approved by and on file with the Ministry.

Tariff Principles and Standards

85. Tariffs shall be determined based upon the following principles and standards:

- (a) allow Permitted Persons to recover all costs prudently incurred to provide Electric Power Services to meet the demonstrated needs of their customers;
- (b) result in rate of returns on the capital investments of Permitted Persons commensurate to that earned on investments of comparable risk;
- (c) by transparently reflecting short run and long run marginal costs, accurate price signals, the abundance and shortage of electric power supply;
- (d) reflect the full cost of providing Electric Power Services and quality of electric power to classes of customers with similar service requirements;
- (e) reflect the quantity of peak, average, or overall usage of electric power at different times or the amount of power consumption level; and
- (f) take into account Government subsidies and the need to accelerate rural electrification in accordance with policies established by the Union Government.

Apply for General Rate Changes

86.

- (a) Permitted Persons may submit an application being filed with the Commission to the Ministry to revise or modify tariffs approved by the Ministry
- (b) Such application shall include a comparison of the existing approved Tariff and the proposed Tariff for the categories of consumers likely to be affected by the proposed Tariff modification.

Chapter 8 Other Regulatory Duties

Financing Arrangements

87. All Permitted Persons are required for their financing activities to be on commercially reasonable terms and conditions.

Corporate Mergers, Affiliated Transactions

88. Permitted Persons shall obtain the prior approval of the relevant permitting authority in order to enter into transactions with affiliated companies, undertake a merger or major acquisition or sale of facilities or to expand the scope of its business activities.

Electric Power Control Departments

- 89.
- (a) The Ministry shall prescribe regulations for administration of electric power system which shall ensure the integrity, reliability, safety and efficiency of electric power system. Electric Power Control Departments formed by the Ministry and Permitted Persons shall strictly comply with such regulations.
 - (b) Electric Power Control Departments shall administer the electric power produced by all the generating facilities connected to the National Grid and capable of being administered so as to satisfy electric power needs as efficiently as possible
 - (c) Once Retail Power Suppliers are able to purchase power from multiple wholesale power suppliers, Electric Power Control Departments shall dispatch generating facilities of Permitted Persons with Wholesale Power Supply Permits on a non-discriminatory basis.

Chapter 9 Quality and Norm Specifications

- 90.
- (a) Upon recommendation of the Commission, the Ministry shall prescribe quality and norm specifications of electrical appliances and equipment.
 - (b) To carry out pursuant to Sub-rule (a) in consultation with the relevant Ministry and other organizations.

Chapter 10 Inspections of Electricity Related Works and Electrical Appliances

91. The General Inspector shall need to carry out as follows in accordance with the sections 32 and 33 of the Electricity Law:-
- (a) shall issue electrical safety certificates after having inspected permitted electricity generation, transmission and distribution.
 - (b) shall issue electrical safety certificates after having inspected lifts and

accelerators , electric train, factories from special economic zones, small, medium and large factories, public buildings and so on.

- (c) issue quality certificates after having inspected electrical equipment/appliances pertaining to norms and standards.
- (d) issue quality certificates for electrical equipment/appliances manufactured from local and overseas which have been approved after being inspected in line with norms and standards set forth by the laboratory established under the section 34 of the Electricity Law;
- (e) issue certificates in electrical skills to those who qualify to conduct electrical installation works;
- (f) shall register electricity generation and distribution business and issue registration (certificates) in line with stipulations;
- (g) shall send the remark to the Ministry that determines the person being liable for causing any harm on human and animals, loss of life, damage of properties and buildings after inspecting necessary evidences with any person in-charge.

92. All Permitted Persons permitted for Electricity Related Works must coordinate with inspections conducted before the operation as well as during the operation annually for the purpose of electrical safety and quality.

93. Upon discovering any inconsistency with the Law, Rules and procedures at the time of conducting any inspection under the above-mentioned Rule 92, the General Inspector shall inform the Ministry and the Permitted Person to suspend the business.

94. The Permitted Person shall inform the General Inspector regarding his actions in response to the remark concerning hazards arising from electricity.

95. The General Inspector shall be responsible for matters relating to the establishment of international standard laboratories, which are to be implemented by the Ministry of Industry, pertaining to the section 34 of the Electricity Law.

96. The General Inspector shall draft the procedures required for inspecting Electricity Related Works and electrical equipment/appliances and submit to the Ministry of Industry.

Chapter 11

Investigations

97. Upon any person filing a written complaint of violation of law, order, rule, regulation, or Permit condition by a Permitted Person or upon its own suspicion, the Ministry may investigate any alleged violation by assigning any person or organization to carry out necessary investigation, as may be appropriate.

Regulatory Enforcement Procedures

98. Before any regulatory enforcement action be taken by the Ministry, the Commission shall inform in writing to the subject Permitted Person which requests an explanation as to the reasons regulatory enforcement action is not appropriate.

99. Upon recommendations of the Commission and with the consent of the Union Government, the Ministry shall issue regulations which prescribe regulatory enforcement procedures, including following conditions:

- (a) an opportunity to explain such violation,
- (b) in the event that such explanation is not adequate, a reasonable period of time to remedy any such violation, and
- (c) if not remedied within a reasonable period time, the procedures for imposing sanctions and the amount of the financial penalties to be imposed.

Sanctions

100. The Ministry shall apply one or more of the following sanctions to Permitted Persons found to be in violation of specific Permit condition:

- (a) provision of financial security against repeat violations,
- (b) financial penalties,
- (c) permit suspension or revocation, and
- (d) referral for civil or criminal prosecution.

Chapter 12

Miscellaneous

Security Classification

101. Upon the situation where any person compelled to produce or reveal some or all of the information contained in a document, such person may claim that particular document to be exempted from production in accordance with the standards of security classification of the Ministry. The person making such claim shall file a statement specifying the detailed justification for the claim of confidentiality. The Ministry shall have the right to make the determination with regard to any claim of confidentiality.

Information

102. The Ministry may call for any information, required by it for carrying out the tasks contained in the Electricity Law and these Rules from any Permitted Person. Any such person shall provide the prescribed information called by the Ministry, failing which he shall be liable to a fine or other penalty as prescribed from time to time.

Khin Maung Soe
Union Minister
Ministry of Electric Power